that you really have an in-built system rather than...

THE DEPUTY CHAIRMAN: Please put your question.

SHRI SURINDER KUMAR SING-LA: The question is whether he would like to assess the scheme and discontinue with it and have an in built system with the banks or with the financial institutions which really have to see to it. Secondly, I find that a retired Secretary of the Government of India is appointed as a member of the BIFR. Why is it so?

SHRI MANMOHAN SINGH: Madam, as I mentioned, the Goswami Committee went precisely into this question and it had suggested that the BIFR procedure is much too time-consuming, that very often action is initiated when it is too late and, that, therefore, they need a much quicker entity to tell us about and deal with problems of sickness. But that scheme of things ran into serious difficulties and I was not able to evolve a consensus of the hon. Members, and therefore, I do appreciate that there is a problem. I think, many other countries deal with this problem by having a bankruptcy law which enables creditors to foreclose when their dues are not paid and therefore managements have changed much sooner. Madam, these suggestions were put forward in the Goswami Committee Report but there was no consensus and, therefore, we have not pursued this matter so far.

Incentives to Indian Airlines Pilots

*262. SHRI V. RAJAN CHELLAP-PA: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether Government have decided to give more incentives to Indian Airlines pilots;

(b) if so, the details thereof;

(c) whether Government have framed rules regarding scheduled flights;

(d) if so, the details thereof; and

(e) the time by which these are likely to be implemented?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) and (b) The emoluments payable to the pilots of Indian Airlines have already been enhanced substantially following a settlement signed by the Management with the Indian Commerica! Pilots Association (ICPA) in November, 1993. Under this settlement, Variable allowances like Flying Allowance, Special Allowance and Experience Allowance have been linked to the hours of flying in respect of domestic flights. For international flights, the allowances would be payable on Air India pattern. In August, 1995, the Executive Pilots have also been granted Executive Flying Allowance linked to the hours of flying.

(c) to (e) Aircraft Rules, 1937 have been amended to provide for regulation of scheduled air transport services. The major requirements for grant of permission to operate scheduled air transport services are:

(i) The operator should have a minimum fleet of three aircraft registered in India.

(ii) The subscribed equity capital of the company should not be less than Rs. 15.00 crores in respect of operators having aircraft of all-up-weight exceeding 40,000 Kg. and Rs. 5.00 crores for operators having aircraft of all-up-weight not exceeding 40,000 Kg.

(iii) the operator should have not less than 3 sets of flight crew and cabin crew per aircraft.

(iv) The operators should ensure that the flight operations are conducted within the frame work of the Aircraft Act, 1934 and Aircraft Rules,

1937 and all other instructions issued by the DGCA from time to time.

(v) The scheduled operators operating services on specified trunk routes would provide 10% of such services on sectors connecting stations in the North-East, Jammu & Kashmir, Andaman & Nicobar and Lakshad-weep. 10% of the services so provided shall be within the States'Regions. The operators are also required to provide 50% of the capacity deployed in specified trunk routes on other sectors which have relatively lesser traffic density.

SHRI V. RAJAN CHELLAPPA: Madam, the answer to (a) and (b) is evasive. The hon. Minister has said that the emoluments payable to the pilots of Indian Airlines have been enhanced substantially following a settlement signed by the management with the Indian Commercial Pilots' Association in November, 1993. We know that in the last two years passengers have been put to a lot of inconvenincce due to repeated strikes by the pilots. Several flights are cancelled several times, particularly on the Madras-Delhi route due to such strikes. The pilots, cataloguing their grienvaces, have been demanding certain amenities that go with the nature of work. Therefore, will the Minister inform the House whether the Government have any negotiations going on with the pilots and what the Government proposes to do to see that passengers are not put to inconvenience?

SHRI GHULAM NABI AZAD: Madam, this is true that in the past few years, from 1992 onwards, there have been recurring agitations by the pilots, sometimes by the commanders, sometimes by co-pilots and some other times by engineers. You might be knowing that in aviation, I think, we have a dozen organisations.

THE DEPUTY CHAIRMAN: Thank God, the Minister is not going on strike!

SHRI GHULAM NABI AZAD: Each organisation, right from the loader to the commander, has the capacity to ground aircraft. In 1992 and 1993, there were some pending things which the pilots wanted to be settled. But we had negotiations during the past two-three years, during 1993, 1994 and 1995. Emoluments of the commanders, co-pilots and engineers as well as executive pilots have been increased in 1993, 1994 and 1995. As a result of this, of course, we had to pay quite a good amount of money, but, in return, the capacity utilisation of the aircraft has also increased and the exodus of the pilots, which was to the tune of 30%, after the liberalisation when private airlines came into the picture, was met by the increase in the emoluments of the pilots, co-pilots and engineers.

THE DEPUTY CHAIRMAN: The second supplementary.

SHRI V. RAJAN CHELLAPPA: Sir,

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1 can understand that permission to operate air transport services are granted under Aircraft Rules. But, is there any monitoring agency to see whether such aircraft arc operated and maintained in accordance with the laid down norms and whether have there have been complaints regarding safety measures in the last two years?

SHRI GHULAM NABI AZAD: Madam, it is a continuous process. It is not a one-time thing. As far as the safety or airworthiness of the aircrafts is concerned, we have a Safety Audit Team, we have flight inspectors inspecting the flights and we have airworthiness officers also for the maintenance. As far as the flight inspectors and airworthiness officers responsible for the maintenance are concerned, they are doing this regularly and as far as the Safety Audit Team is concerned, they are doing it periodically.

SHRIMATI JAYANTHI NATARAJAN: Madam, as the hon. Member spoke before me, there has been a scries of strikes. Even recently, the pilots resorted to a strike. Even now, the problem has not been solved. It is apparent from the newspapers that the flight

attendants, most of them, happened to be women, reached a grade where they were earning almost as much as the co-pilots and sometimes more than the co-pilots. Due to that the pilots off-loaded the flight attendants and many flights were cancelled due to that reason. I would like to ask the hon. Minister whether this was also a part of the negotiations and this matter has been considered because it is shameful that the pilots should off-load these flight attendants merely because they happened to be women and senior to them—senior to the co-pilots and not to the commanders. It is not a matter whether they are senior ox junior, but it is a continuous process in which the Indian Airlines has been treating women in a very discriminatory way whether they are air hostesses or others. They have been asked to be grounded. That is a different question. As far as the pilots are concerned, is it a fact that these pilots had refused to fly if the flight attendants were senior to the co-pilots in terms of reimbursement? If it is a fact, I would like the hon. Minister to assure this House that they will not allow the pilots to get away with this kind of behaviour and hold the public to ransom.

THE DEPUTY CHAIRMAN: Mr. Minister, be careful. Your co-pilot is a lady.

SHRI GHULAM NABI AZAD: So is the Deputy Chairman and so is the questioner.

THE DEPUTY CHAIRMAN: I am a captain ...*(Interruption)*...

SHRI GHULAM NABI AZAD: So, this grievance is against the captain...*(Interruptions)*...Madam, as far as what the hon. Member has said is concerned, it is partially true, partially in the sense that it was not against the air-hostesses, it was against the cabin crew. When we talk of the cabin crew, it does not necessarily consist of the air hostesses alone, but also the flight persons. So, to that extent, it was not against a particular sex. It was against the cabin crew. But, then it was also not against the cabin crew alone—the strike was not connected with that only—it was also on the point also that the allowances are to be at international rates for domestic-led international flights. They are flying internationally in the neighbouring countries. So, they wanted that when they fly in the domestic sector—suppose a flight is going to Bombay, Madras to Dubai—they should be paid the same amount which is being paid for the flight between Madras and Dubai. That was also a part of that. There was a refusal to fly with the pilots who were engaged on contract basis because of shortage of pilots. We will have to take some pilots on contract also. So, this was not only because of this. As far as the demand of the co-pliots is concerned, it was against the basic pay. The basic pay of the copilots is about Rs. 2,500/- and the basic pay of the cabin crew is about Rs. l.lOtX-. But after, say 20 years' service, the basic pay of the cabin crew comes to about Rs. 270(y-. They wanted that that they would not fly with any of the cabin crew whose basic pay is more than that of the co-pilots. That is why the management did not agree and, ultimately, the co-pilots had to fly and they are flying.

SHRIMATI RENUKA CHOWDHURY: Madam, I want to ask a question.

THE DEPUTY CHAIRMAN: I have your name. If two members speak together, how can the Minister answer?

SHRI DINESHBHAI TRIVEDI: Thank you. Madam, this is a very well-known fact that there is an acute shortage of pilots in the Indian Airlines, specially the commanders. I see from the Minister's answer that their allowances are linked with flying, the number of hours the pilots fly. Madam, my concern is about the safety. We have seen that because of the shortage of pilots, commanders tend to overfly. In many of the crash reports, it has come out very

clearly that it is due to human error or pilot error because of which the crash must have taken place and partly due to the fatigue as well. Madam, in Indian conditions....

SHRIMATI RENUKA CHOW-DHURY: Madam, I am on a point of order, on the issue raised by my colleague. There have been cases which have proved that pilots are sitting with their dogs. You see, they have their dogs and they have their friends sitting in the cabin.

SHRI DINESHBHAI TRIVEDI: I do not want to digress.

SHRIMATI RENUKA CHOWDHURY: No, no, it is not just on fatigue. When they behave with a 'holier-than-thou' attitude, they must remember that also.

THE DEPUTY CHAIRMAN: Renukaji, I have your name. You can add the dogs into your question, but let him ask about fatigue first.

SHRI DINESHBHAI TRIVEDI: Madam, I was on the issue of fatigue. Fatigue really starts not when the pilots sits in the aircraft, but starts from the time when he is waiting in the house for his transport. My question to the hon. Minister is this: Are you going to consider some other kind of allowances which may not be directly so related to only flying? This is to take care of safety and as you have also mentioned in your answer, as far as the criteria for scheduled airline are concerned, you require three sets of flight crew and cabin crew. I would like to know if the Indian Airlines fulfil this criterion at the present moment.

SHRI GHULAM NABI AZAD: Well, as far as the safety of passengers is concerned, that is of paramount importance for the Ministry and also for the management. But if you see internationally I think all over the world they are flying much more than what we are flying. So, I do not think our pilots or our commanders are overburdened as compared to the other parts of the world.

SHRI DINESHBHAI TRIVEDI: Indian conditions are a little different. Whether it is pollution, road condition, car pollution, they are different.

THE DEPUTY CHAIRMAN: Let him finish.

SHRI GHULAM NABI AZAD: So, we are not making them go by the traditions. We want them to know that it is an era of competition. If we are paying, after the liberalisation, much more amount, then they should also work more.

SHRI JOHN F. FERNANDES: Madam, the Indian Airlines pilots are a pampered lot. Madam, they get a salary, with perks, of Rs. 60,000'- per month from a poor country like ours. Since we have a shortage of pilots, Madam, the Indian Airlines pilots are black-mailing or arm-twisting them to get their dues. Madam, of late, we have seen a statement from the pilots in the North, wherein they have mentioned that they require a flying squad because they have to fly to disturbed areas. Madam, in 1993, they got away with the perks, with salary hikes and something happened in the last week. Madam, this also creates a fear-psychosis among the tourists and public and it gives credence. I would like to know from the hon. Minister whether he would frame certain rules or a code of conduct for the pilots not to jeopardise the interests of the country. Do such rules exist and, not, is he going to formulate such rules?

SHRI GHULAM NABI AZAD: Madam, this is a suggestion for consideration and I thank the hon. Member.

SHRIMATI RENUKA CHOWDHURY: Madam, forget the gender bias. We see it there, we see it here, but we will fight our own case. What I want to tell you is that every year in peak tourist season—since the Minister holds both the portfolios, I am telling him—every tourist season, the Inidan

Airlines' pilots go on strike. This is known as blackmail and this is a culpable crime. You can book them for it, our police can book them for it.

SHRI GHULAM NABI AZAD: I wish.... SHRIMATI RENUKA CHOWDHURY: I will do it, don't worry. Madam, I want to know one thing. Has the Ministry computed this? How many hundreds of dollars, millions of dollars, or yen we have lost because tourism has been diverted? People do not want to come to India because they say your airline bookings are never confirmed. When we come there your Airlines' pilots are on strike. We are stuck everywhere and there are no facilities. We do not even know why the Airlines' pilots .are on strike. Airlines pilots want more and more, but they give less and less. There is no doubt. I am equally concerned about safety. My father was the Commandant in the Institute of Aviation Medicine which is the only one of its kind in the whole of South-East Asia. So, we know what safety is about. We grew up in that atmosphere. We have seen simulators. We put rigorous tests for the pilots to pass, besides not having A-checks and B-checks on our aircraft and lay-offs because they are pressuried. We use them as buses because they are compellted to. I would like to request the Ministry that first they should declare flying as an essential service. It is not a luxury item. It is the money invested by people who want to reach on time to save their precious time. We don't compute the time lost on that.

उपसभापति : आप छोटा सवाल पूछिए।

श्रीमती रेणुका चौधरी : यह छोटा सवाल ही हैं, मैडम।

उपसभापति : अगर लंबा सजेशन आपको देना हो तो लिखकर भेज दीजिए।

श्रीमती रेणुका चौधरी : फिर तो जवाब आएगा ही नहीं। ....(**व्यवधान**)...

Madam, in every tourist season, India has incurred a loss, not just financial. We have a loss of face. And historically India has so much to offer. How much money has been lost due to these strikes. What action are you going to take against pilots if they repeat this performance?

SHRIMATI JAYANTHI NATARAJAN: Subtract from their salary.

SHRIMATI RENUKA CHOWDHURY: That is a good suggestion. You subtract it from their salary, and declare this as an essential service now.

SHRI GHULAM NABI AZAD: Madam, I totally agree with the sentiments of the hon. Member, not only the hon. lady Member, but also the hon. Members of both the Houses, expressed on different occasions. And, I would say, my sentiments are much more stronger than the hon. lady Member's sentiments because I have to face the music all the time, both domestically and internationally. Whenever I go abroad, it is the travel agents and the tour operators and the media persons who say that our flights are irregular, sometimes regularly irregular because of the pilots going on strike or the engineers going on strike. But I wish I could do what the hon. lady Member has said because it is not like some other area where you can throw them out and have somebody else. We have only 146 Commanders available with us.

SHRI SURESH KALMADI: You can draw from the Air Force.

SHRI GHULAM NABI AZAD: So, it is very difficult to get rid of even one. If adequate number had been available, I would have got rid of them in one second. But it is very difficult because the demand is there and the availability is not there. Not only in our country, but even in the neighbouring country also, there is a shortage of pilots. So, it is a very scarce commodity.

SHRI SURESH KALMADI: Why don't you get from the Air Force?

SHRIMATI RENUKA CHOW-DHURY: 1 have given two examples...

THE DEPUTY CHAIRMAN: Rcnukaji, please. This is Question Hour.

SHRI GHULAM NABI AZAD: Madam, as far as training is concerned, there is no dearth of Co-Pilots, the scarcity is of Commanders. What we need is Commanders. And to make a Commander, it takes eight years. So, you cannot just convert a Pilot into a Commander within six months. So, one has'to wait for eight years.

SHRIMATI RENUKA CHOW-DHURY: Private Airlines have come and stolen our Commanders.

THE DEPUTY CHAIRMAN: Now let him answer, please. Don't interrupt like this. There are other Members. You are taking the time of other Members.

SHRIMATI RENUKA CHOWDHURY: I apologise.

THE DEPUTY CHAIRMAN: They are jgetting irritated.

SHRIMATI RENUKA CHOWDHURY: Madam, you are only getting irritated with me, not with others.

THE DEPUTY CHAIRMAN: Members are getting irritated. Mr. Mathur and Mr. Ashok Mitra have given their names. I have to call them. Please sit down.

SHRI GHULAM NABI AZAD: Madam, the hon. Member has said that the pilots have been taken away by the private air-taxi operators or private airlines. In our country... *(Interruptions)* Please listen to me.

THE DEPUTY CHAIRMAN: Let him answer, please. If you are not serious, I will ask the Minister to sit down. It is a serious matter about the safety of the people. Everybody wants to ask questions. I have got ten names over here. And when he speaks, everybody interferes and interrupts him.

SHRI GHULAM NABI AZAD: Madam, as far as the exodus of pilots is concerned, it is known and it takes place internationally. It is not something new. And there is no law whatsoever either in our country or in any part of the world ihat you can stop the exodus. As far as our country is concerned, we have tightened our belts by doing a number of things. They have to take a "No-Objection" Certificate which was not there perviously. They have also increased the bond, which was not there earlier. Apart from the 'No Objection Certificate', we have also done another thing. Madam, for the last one year, there has not been much exodus. What we have done is, we have told the air taxi operators: 'before we give permission for any new aircrafts, you will have to give us the names of the pilots'. If we find the names of the pilots of Indian Airlines, we do not give them permission.

Therefore, we have taken some corrective measures, but, as I said, there is no law by which we can prevent them from going to the other airlines.

THE DEPUTY CHAIRMAN: Question No. 263. *(Interruptions)* Question No. 263. The hon Member is not here. *(Interruptions)*

SHRI S. JAIPAL REDDY: Madam, I think this is a very important question. The House can, *suo motu,* take not of it.

SHRI JAYANTHI NATARAJAN: No, Madam, *(Interruptions)*

SHRI S. JAIPAL REDDY: Madam, this deals with a very important economic issue.

SHRI MD. SALIM: There is a precedent, Madam.

SHRI S. JAIPAL REDDY: There is a precedent. The House had agreed that important questions could be taken up. *(Interruptions)*

SHRIMATI JAYANTHI NATARAJAN: We do not agree.

THE DEPUTY CHAIRMAN: Question No. 264. *(Interruptions)*

SHRI V. NARAYANASAMY: We have to go by the rules, Mr. Jaipal Reddy.

*263. *[The Questioner (Shri Dilip Sing Judev) was absent. For answer vide coi.... infra.f*

THE DEPUTY CHAIRMAN: QueMon No. 264.

Devolution of Funds by Tenth Finance Commission

*264. SHRI SURESH PACHOURI:t SHRI GOVIND RAM MIRI:

Will the Minister of FINANCE be pleased to state:

(a) whether Tenth Finance Commission, in suggesting the formula of devolution of funds, has not taken the backwardness factor of the States into consideration;

(b) whether as a result of the recommendations, the total devolution to States of Rajasthan, Uttar Pradesh, Orissa and Madhya Pradesh would be reduced by 112%, 0.5%, 0.93% and 0.30% respectively in comparison to the total devolution recommended by the Ninth Commission;

(c) if so, total net loss in the Central assistance to Madhya Pradesh for the period 1995-2000; and

(d) how does Government propose to compensate the poor States for this reduction in assistance?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) to (d) A statement is laid on the Table of the House.

Statement

(a) The Tenth Finance Commission has adopted the following criteria for distribution of net proceeds of income-tax and 40% of the net proceeds of Union excise duties amongst the States:—

(i) 20% on the basis of population of 1971;

(ii) 60% on the basis of distance of per capita income of a State from that of the State with highest per capita income multiplied by the 1971 population of the State concerned;

(iii) 5% on the basis of area adjusted;

(iv) 5% on the basis of index of infrastructure; and

(v) 10% on the basis of tax effort.

By assigning the weightage to the per capita distance formula, area adjusted, index of infrastructure and tax effort, the Commission has taken care of the backwardness factor.

(b) The devolution of funds to Rajas than, Uttar Pradesh, Orissa and Madhya

†The Question was actually asked on the Floor of the House by Shri Suresh